

Support Virginia's Families
Support A
VIRGINIA RENTAL HOUSING ASSISTANCE PROGRAM

Rental Assistance Supports Workers and Their Families

Virginia is one of the least affordable states in the nation for renters. More than one-third of Virginia renters cannot afford a two-bedroom apartment. More than 50% of homeless people currently in shelters are working--but do not earn enough to move into their own housing. Families moving from welfare to work in Virginia typically earn \$6.47/hour as of September, 2004.¹

By making housing more affordable, rental assistance helps to stabilize the lives of low-income families and thereby improves their ability to secure and retain jobs. Some families with housing affordability problems may be forced to move frequently from the home of one friend to that of another or, if no other options are available, to a homeless shelter. Such moves can destabilize families, interrupt work and school schedules, jeopardize employment and learning.

Research and field work underscored the importance of housing being secured first, before people could pay serious attention to non-housing issues.....housing is at the core of family stability. The lack of stable housing is the chief deterrent to self-sufficiency. Once homeless, families face major hurdles--keeping the family together, keeping children healthy and in school and retaining employment. The link between work, housing and family stability is evident.

Rental Assistance Benefits Virginia Children Recent studies have shown that children in stable housing maintain better school attendance rates, perform better in school, are less likely to drop out, and are healthier than children on housing waiting lists, living in substandard housing, or shelters.

Rental Assistance can provide workers time To find or qualify for higher-paying jobs, or to complete job training and placement programs. It can help families move to safer neighborhoods with better access to jobs and transportation services.

Rental Assistance promotes economic growth Every dollar received for rental assistance leaves a dollar to be spent at local businesses for their family's basic needs and employment related expenses. These spent dollars provide economic growth for local businesses and neighborhoods and taxes to state government.

Rental Assistance is cost effective In 2003, over 45% of shelter residents held jobs, most worked full time. Rental Assistance will assist these residents out of shelters and into private housing. Their move to housing is less than half the cost of shelter for a family for the same period.

Rental Assistance will address the crisis of homelessness in Virginia Over 45,000² people were turned away from shelter and support services in FY03. As working families move from shelters to housing we will be able to open the closed doors to chronically homeless persons now being turned away for lack of space.

Rental Assistance is consistent with VIRGINIA goals It is a needed, effective and cost saving allocation of funds. It is consistent with Virginia's goals. Rental Assistance gives temporary assistance to needy families as they strive for self-sufficiency and independence through work. Rental Assistance is essential to the success of Welfare Reform and the well being of Virginia's low income families.

¹ Virginia Department of Social Services

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² FY03 Report to the House Appropriations and Senate Finance Committees by H&CD

FY06 BUDGET AMENDMENT FOR RENTAL ASSISTANCE

Proposed: The Virginia Coalition for the Homeless and Social Action Linking Together (SALT) proposes the use of \$2.3 million for the provision of a pilot rental assistance program for working poor families. Providing targeted assistance to fill the gap between income and housing costs for working poor families is consistent with the Commonwealth's goals of assisting families in their reach for independence through work.

Background: The average rent for a two-bedroom apartment in Virginia is 73% of the income of the typical family moving from welfare to work in Virginia. This is more than twice the nationally accepted standard housing budget of 30% of total income.

Virginia Independence Program report (October 2003)

typical earning of a welfare to work family in Virginia	\$6.47/hr
monthly full-time wage (6.47 x 2080/12)	\$1,121/m

National Standard for Housing Costs

	<u>x 30%</u>
monthly housing budget for typical welfare to work family	\$336.00

U.S. Department of Housing and Urban Development

Fair Market Rent (FMR), average Virginia 2-bedroom apartment	\$821/m
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Many families moving from welfare to work do not initially earn enough income to provide appropriate housing for their families. With high rent burdens, these families are challenged to meet other household needs, including food, clothing, and medical care. Job-related costs such as child care and transportation can make low-wage employment cost more than it pays. Homelessness, inadequate housing or eviction jeopardizes individuals' abilities to hold a job long enough to advance or to complete training for higher wage employment. These barriers can prevent individuals and families from establishing economic self-sufficiency. Over forty percent of Virginia shelter residents are working--proof positive that work does not guarantee an income adequate to afford housing.

Program: Rental assistance, based upon the difference between housing budget (30% of income) and FMR, would be distributed to low-income working Virginia families through the Homeless Intervention Program (HIP) administrators for a period not to exceed one year.

Example: The Smith family earns \$1,121/month.	FMR in their area = \$821	
FMR:	\$821	Twelve months of assistance =
<u>Smith family share (30% of income) =</u>	<u>\$336</u>	\$5,820--less than the cost of
Monthly rental assistance	\$485	shelter for the same period.

The statewide Homeless Intervention Program (HIP) sites, directed by Housing & Community Development, serve the Commonwealth; use of this existing structure would prevent the need to create new bureaucracies and assure that the bulk of funds go directly to families in need. The Virginia Coalition estimates that more than 400 Virginia families could be assisted through use of \$2.3million for a rental assistance pilot program. Preference would be given to families leaving welfare for work and/or working families unable to leave shelters due to the gap between their wages and their rent.

VIRGINIA COALITION FOR THE HOMELESS
SOCIAL ACTION LINKING TOGETHER (SALT)

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REPORT ON VIRGINIA HOMELESS PROGRAMS & FUNDING FY02

The following information is taken from the 108 shelters that receive state and/or federal assistance in the form of SHARE Shelter Support Grants (SSG), Federal Shelter Grants (FSG) and Temporary Assistance to Needy Families (TANF).

52, 897 persons requested shelter in Virginia during FY2002¹

30, 173 persons were sheltered

22,724 or 43% of request were denied due to lack of shelter space

58% were family members

32% or 9655 family members were children

36% were single men and women

3% were unaccompanied youth

Funded Programs:

4,797 shelter beds at emergency shelter, transitional housing facilities, domestic violence shelters and day shelters received federal, state, TANF and private funding.

4,020 homeless children received support for their special needs through the **Children's Coordinator Program**.

7,301 homeless persons and their families were kept in their homes through the **Homeless Intervention Program (HIP)**. 49% of persons served were under the age of 16. More than half of the heads of households were employed full-time. 17% were employed part-time.

Funding Sources: The total cost of providing shelter and support services to homeless families and individuals in FY2002 was \$43,771,454.

3.9% State General Funds

5.1% TANF

22% Local Governments

3% Federal Government

66% Private Funding: Foundations, Individual Donors, United Way, Religious Institutions, Corporations

Source: Virginia Dept. of Housing & Community Development
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9/7/03

¹ Numbers of 20+ shelters that do not receive government funds are not included

Wages and Housing in the Norfolk/Virginia Beach/Newport News Area: Who's left out in the cold

Gloucester County, Isle of Wight County, James City County, Mathews County, York County, Chesapeake City, Hampton City, Newport News City, Norfolk City, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, Williamsburg City

Occupational Title	Median Hourly Wage	Annual Salary for Fulltime Worker at Median	Number of Workers	Affordable Housing Budget*	Surplus/ Shortfall from FMR, 2- Bedroom apt
Registered Nurses	\$19.72	\$41,018	9,380	\$1,025	\$277.44
Paralegals and Legal Assistants	\$19.71	\$40,997	110	\$1,025	\$276.92
Middle School Teachers, Except Special & Vocational Ed.	N/A	\$35,731	3,440	\$893	\$145.28
Police and Sheriff's Patrol Officers	\$16.62	\$34,570	4,860	\$864	\$116.24
Child, Family, and School Social Workers	\$16.37	\$34,050	1,180	\$851	\$103.24

Fair Market Rent for a 2-bedroom apartment in this area is \$748. A full-time worker would have to earn \$14.38 an hour in order to afford this rent--the workers below this line do not.

Fair Market Rent for a 1-bedroom apartment in this area is \$632. A full-time worker would have to earn \$12.15 an hour in order to afford this rent--the workers below this line do not.

Dental Assistants	\$11.87	\$24,690	2,220	\$617	-\$130.76
Word Processors and Typists	\$11.62	\$24,170	860	\$604	-\$143.76

Fair Market Rent for a 0-bedroom apartment in this area is \$562. A full-time worker would have to earn \$10.81 an hour in order to afford this rent--the workers below this line do not.

Truck Drivers, Light & Delivery	\$9.34	\$19,427	6,060	\$486	-\$262.32
Construction Laborers	\$9.01	\$18,741	4,590	\$469	-\$279.48
Tellers	\$8.95	\$18,616	2,050	\$465	-\$282.60
Nursing Aides, Orderlies, & Attendants	\$7.98	\$16,598	7,450	\$415	-\$333.04
File Clerks	\$7.88	\$16,390	820	\$410	-\$338.24
Retail Salespersons	\$7.43	\$15,454	23,020	\$386	-\$361.64
Security Guards	\$7.39	\$15,371	7,690	\$384	-\$363.72
Janitors & Cleaners, Except Maids & Housekeeping Cleaners	\$7.32	\$15,226	11,530	\$381	-\$367.36
Preschool Teachers, Except Special Education	\$7.27	\$15,122	1,850	\$378	-\$369.96
Teacher Assistants	N/A	\$14,141	4,700	\$354	-\$394.48
Cashiers	\$6.47	\$13,458	19,390	\$336	-\$411.56
Waiters and Waitresses	\$6.41	\$13,333	11,180	\$333	-\$414.68
Cooks, Fast Food	\$6.36	\$13,229	N/A	\$331	-\$417.28

Sources: VEC Occupational Employment Study, 2001; National Low Income Housing Coalition. Out of Reach: 2003

*National standards suggest no more than 30% of gross income should be spent on housing costs.

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